

AMENDED IN SENATE JUNE 8, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2196**

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**Introduced by Assembly Member Low**

February 18, 2016

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An act to amend *Section 20301 of the Public Contract Code*, and to amend Sections 100001.5, 100011, 100013, 100014, 100014.1, 100017, 100018, 100020, 100022, 100030, 100031, 100055, 100055.1, 100055.2, 100055.3, 100060, 100060.2, 100061, 100062.1, 100070, 100071, 100082, 100090, 100100, 100110, 100111, 100112, 100113, 100114, 100115, 100115.5, 100120, 100121, 100124, ~~10025~~, 100125, 100126, 100130, 100130.5, 100131, 100132, 100133, *100153*, *100155*, 100160, 100160.1, *100160.2*, 100160.5, 100161, 100162, 100163, 100164, 100165, 100167, 100168, 100169, 100170, 100171, *100250*, 100252, 100253, 100254, 100302, 100303, 100304, 100305, 100307, 100308, 100350, 100351, 100370, 100371, 100372, 100380, 100381, 100400, 100401, 100403, 100404, 100407, 100409, 100410, 100411, 100450, 100451, 100460, 100461, 100462, 100463, 100470, 100471, 100482, 100483, 100490, 100491, 100492, 100500, *100600*, 100601, 100601.5, 100602, 100602.11, 100602.14, 100603, 100605, 100606, 100609, 100610, 100612, 100613, 100618, and 100619 of, to amend the headings of Article 1 (commencing with Section 100060), Article 2 (commencing with Section 100070), and Article 5 (commencing with Section 100100) of Chapter 4 of Part 12 of Division 10 of, to amend the headings of Chapter 4 (commencing with Section 100060) and Chapter 5 (commencing with Section 100110) of Part 12 of Division 10 of, to repeal Sections 100032, 100306, and 100309 of, and to repeal Article 2 (commencing with Section 100040) of Chapter 3 of Part 12 of Division 10 of, the Public Utilities Code, relating to transportation.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2196, as amended, Low. Santa Clara Valley Transportation Authority.

Existing law creates the Santa Clara Valley Transportation Authority with various powers and duties relative to transportation projects and services and the operation of public transit in the County of Santa Clara. Existing law authorizes the authority, among other things, with the approval of the Department of Transportation, to provide funding for the repair and maintenance of state highways within the boundaries of the authority.

This bill would revise numerous statutes related to the Santa Clara Valley Transportation Authority to change references from “authority” to the Santa Clara Valley Transportation Authority and various other references of “authority” or “district” to the VTA. The bill would make other nonsubstantive changes in these statutes and repeal obsolete provisions. *The bill would also authorize the board of directors of the VTA to include mayors of cities within the county, as specified.*

~~The bill would authorize the board of directors of the VTA to include mayors of cities within the county, as specified.~~

*Existing law requires contracts of the Santa Clara Valley Transportation Authority for the purchase of supplies, equipment, and materials to be let to the lowest responsible bidder or to the bidder who submits a proposal that provides best value, as defined, if the amount of the contract exceeds \$100,000 and requires the authority to obtain a minimum of 3 quotations for those contracts between \$2,500 and \$100,000.*

*This bill would instead impose those bidding requirements with respect to the authority’s contracts for the purchase of supplies, equipment, and materials if the amount of the contract exceeds \$150,000 and would require a minimum of 3 quotations for those contracts between \$3,500 and \$150,000.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 *SECTION 1. Section 20301 of the Public Contract Code is*
- 2 *amended to read:*

20301. (a) The purchase of all supplies, equipment, and materials, when the expenditure required exceeds one hundred *fifty* thousand dollars ~~(\$100,000); (\$150,000)~~, shall be by contract let to the lowest responsible bidder, or, in the authority's discretion, to the responsible bidder who submitted a proposal that provides the best value to the authority on the basis of the factors identified in the solicitation. "Best value" means the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit in response to the requirements described in the solicitation documents.

(b) To the extent practicable, the authority shall obtain a minimum of three quotations, either written or oral, that permit prices and terms to be compared whenever the expected expenditure required for the purchase of supplies, equipment, or materials exceeds ~~two~~ three thousand five hundred dollars ~~(\$2,500); (\$3,500)~~, but does not exceed one hundred *fifty* thousand dollars ~~(\$100,000); (\$150,000)~~.

(c) Notice requesting bids shall be published at least once in a newspaper of general circulation and on the authority's procurement Internet Web site, which publication shall be made at least 10 days before the bids are received. The board may reject any and all bids and readvertise at its discretion.

(d) This section applies solely to the procurement of supplies, equipment, and materials, and shall not apply to construction contracts.

#### **SECTION 1.**

*SEC. 2.* Section 100001.5 of the Public Utilities Code is amended to read:

100001.5. The Legislature hereby finds and declares:

(a) Since the formation of the Santa Clara Valley Transportation Authority, unprecedented growth has occurred in the San Francisco Bay area and in Santa Clara County in particular. It has become apparent that additional measures are required in order to deal more effectively with the resultant serious traffic congestion and to foster the development of trade and the movement of people in and around the Santa Clara Valley and throughout the entire bay area.

(b) Transit and other modes of transportation are inextricably intertwined, and improvement and maintenance of the road and highway structure in conjunction and coordination with transit

1 improvements are essential to optimize the ability of the Santa  
2 Clara Valley Transportation Authority to deal more effectively  
3 with serious traffic congestion.

4 (c) The Santa Clara Valley Transportation Authority, having  
5 been designated as the Congestion Management Agency for Santa  
6 Clara County, and already authorized to construct and improve  
7 state and local highways pursuant to Section 100115.5, is uniquely  
8 positioned to implement programs to achieve the goal of a balanced  
9 approach to solving transportation problems.

10 (d) This goal is best achieved in Santa Clara County by vesting  
11 in the Santa Clara Valley Transportation Authority the ability to  
12 plan, design, construct, maintain, and repair road and highway  
13 improvements, as well as bicycle, pedestrian, and other  
14 transportation facilities, under the conditions set forth in this part.

15 ~~SEC. 2.~~

16 *SEC. 3.* Section 100011 of the Public Utilities Code is amended  
17 to read:

18 100011. “VTA” means the Santa Clara Valley Transportation  
19 Authority.

20 ~~SEC. 3.~~

21 *SEC. 4.* Section 100013 of the Public Utilities Code is amended  
22 to read:

23 100013. “Transit works” or “transit facilities” means any or  
24 all real and personal property, equipment, rights, or interests owned  
25 or to be acquired by the VTA for transit service or purposes.

26 ~~SEC. 4.~~

27 *SEC. 5.* Section 100014 of the Public Utilities Code is amended  
28 to read:

29 100014. “Board of directors” and “board” means the board of  
30 directors of the VTA.

31 ~~SEC. 5.~~

32 *SEC. 6.* Section 100014.1 of the Public Utilities Code is  
33 amended to read:

34 100014.1. “Director” means a member of the board of directors  
35 of the VTA.

36 ~~SEC. 6.~~

37 *SEC. 7.* Section 100017 of the Public Utilities Code is amended  
38 to read:

1 100017. “System” means all transit works and transit facilities  
2 owned or held or to be owned or held by the VTA for transit  
3 purposes.

4 ~~SEC. 7.~~

5 *SEC. 8.* Section 100018 of the Public Utilities Code is amended  
6 to read:

7 100018. “Revenues” means all rates, fares, tolls, ~~rentals~~ *rentals*,  
8 or other income and revenue actually received or receivable by or  
9 for the account of the VTA from the operation of the system,  
10 including, without limiting the generality of the foregoing, interest  
11 allowed on any moneys or securities and any profits derived from  
12 the sale of any securities and any consideration in any way derived  
13 from any properties owned, ~~operated~~ *operated*, or at any time  
14 maintained by the VTA.

15 ~~SEC. 8.~~

16 *SEC. 9.* Section 100020 of the Public Utilities Code is amended  
17 to read:

18 100020. “Establish” includes establish, construct, complete,  
19 acquire, extend, or reroute. It does not, however, include the  
20 maintenance and operation of any existing system acquired by the  
21 VTA.

22 ~~SEC. 9.~~

23 *SEC. 10.* Section 100022 of the Public Utilities Code is  
24 amended to read:

25 100022. “Transportation works” or “transportation facilities”  
26 means any or all real and personal property, rights, or interests  
27 owned or to be acquired by the VTA to facilitate the passage of  
28 vehicles or pedestrians exclusive of transit works and transit  
29 facilities.

30 ~~SEC. 10.~~

31 *SEC. 11.* Section 100030 of the Public Utilities Code is  
32 amended to read:

33 100030. The Legislature recognizes the formation of the Santa  
34 Clara Valley Transportation Authority and it may exercise the  
35 powers herein granted.

36 ~~SEC. 11.~~

37 *SEC. 12.* Section 100031 of the Public Utilities Code is  
38 amended to read:

1     100031. The ~~territory~~ *boundaries* of the VTA shall include all  
2 incorporated and unincorporated territory lying within the County  
3 of Santa Clara.

4     ~~SEC. 12.~~

5     ~~SEC. 13.~~ Section 100032 of the Public Utilities Code is  
6 repealed.

7     ~~SEC. 13.~~

8     ~~SEC. 14.~~ Article 2 (commencing with Section 100040) of  
9 Chapter 3 of Part 12 of Division 10 of the Public Utilities Code is  
10 repealed.

11    ~~SEC. 14.~~

12    ~~SEC. 15.~~ Section 100055 of the Public Utilities Code is  
13 amended to read:

14     100055. Notwithstanding any other provision of this act, before  
15 the VTA may establish any transit service or system that may at  
16 any time divert, lessen, or compete for the patronage or revenues  
17 of any existing system, the VTA shall give a written notice to the  
18 public utility that is operating the existing system. The written  
19 notice shall describe the transit service or system which the VTA  
20 proposes to establish and shall state the time that the VTA proposes  
21 to establish that service or system.

22    ~~SEC. 15.~~

23    ~~SEC. 16.~~ Section 100055.1 of the Public Utilities Code is  
24 amended to read:

25     100055.1. The VTA shall not establish the proposed service  
26 or system, or maintain and operate the service or system until it  
27 has completed the purchase of the existing system or any part  
28 thereof.

29    ~~SEC. 16.~~

30    ~~SEC. 17.~~ Section 100055.2 of the Public Utilities Code is  
31 amended to read:

32     100055.2. Subject to Section 100351, the purchase price to be  
33 paid for the existing system, or any portion thereof to be purchased,  
34 shall be the reproduction cost new, including going concern value,  
35 at the date upon which the VTA commences negotiations for the  
36 purchase of the existing system, or the portion of the existing  
37 system, less depreciation, including wear, ~~tear~~ *tear*, and  
38 obsolescence, if any.

1     ~~SEC. 17.~~

2     *SEC. 18.* Section 100055.3 of the Public Utilities Code is  
3 amended to read:

4     100055.3. The VTA and public utility operating the existing  
5 system may agree upon the purchase price or they may agree that  
6 the purchase price is to be established by arbitration and upon the  
7 method of naming arbitrators and the method of conducting such  
8 arbitration.

9     ~~SEC. 18.~~

10    *SEC. 19.* The heading of Chapter 4 (commencing with Section  
11 100060) of Part 12 of Division 10 of the Public Utilities Code is  
12 amended to read:

13  
14                   CHAPTER 4. GOVERNMENT OF VTA  
15

16    ~~SEC. 19.~~

17    *SEC. 20.* The heading of Article 1 (commencing with Section  
18 100060) of Chapter 4 of Part 12 of Division 10 of the Public  
19 Utilities Code is amended to read:

20  
21                   Article 1. Board of Directors  
22

23    ~~SEC. 20.~~

24    *SEC. 21.* Section 100060 of the Public Utilities Code is  
25 amended to read:

26    100060. (a) The government of the VTA shall be vested in a  
27 board of directors which shall consist of 12 members, as follows:

28    (1) Two representatives of the county and one alternate who  
29 shall be members of the board of supervisors of the county,  
30 appointed by the board of supervisors.

31    (2) Five representatives of the City of San Jose and one alternate  
32 who shall be city council members or the mayor of the City of San  
33 Jose, appointed by the city council.

34    (3) Five city council members or mayors selected from among  
35 the city councils and mayors of all of the cities in the county, other  
36 than the City of San Jose, as provided by agreements among those  
37 cities. The agreements may provide for the appointment of  
38 alternates, who shall be city council members or mayors, for those  
39 city representatives.

1 (b) An alternate may vote in the place of a director represented  
2 by that alternate if the director is absent.

3 (c) To the extent possible, the appointing powers shall appoint  
4 individuals who have expertise, experience, or knowledge relative  
5 to transportation issues.

6 ~~SEC. 21.~~

7 *SEC. 22.* Section 100060.2 of the Public Utilities Code is  
8 amended to read:

9 100060.2. Except as otherwise provided, the term of office for  
10 each director shall be two years and until the appointment and  
11 qualification of his or her successor. A successor shall be appointed  
12 not later than 30 days immediately upon the expiration of a  
13 director's term. A vacancy exists whenever a director ceases to  
14 hold office on the city council or board of supervisors from which  
15 he or she was appointed. Any vacancy shall, within 60 days of its  
16 occurrence, be filled for the balance of the term by the body that  
17 made the original appointment.

18 ~~SEC. 22.~~

19 *SEC. 23.* Section 100061 of the Public Utilities Code is  
20 amended to read:

21 100061. The board of directors shall annually elect a  
22 chairperson who shall preside at all meetings. The board of  
23 directors shall also annually elect a vice chairperson, who, in the  
24 event of the chairperson's absence or inability to act, shall act as  
25 chairperson, ~~and~~ *and*, while so acting, shall have all of the power  
26 and obligations of the chairperson.

27 ~~SEC. 23.~~

28 *SEC. 24.* Section 100062.1 of the Public Utilities Code is  
29 amended to read:

30 100062.1. (a) No ordinance, except an urgency ordinance,  
31 shall be passed by the board on the day of its introduction, nor  
32 within three days thereafter, nor at any time other than at a regular  
33 or adjourned regular meeting. The enacting clause of all ordinances  
34 shall be as follows:

35 "The Board of Directors of the Santa Clara Valley Transportation  
36 Authority ordains as follows:"

37 (b) All ordinances shall be signed by the chairperson of the  
38 board or the vice chairperson and attested by the secretary. Before  
39 the expiration of 15 days after the passage of an ordinance, it shall  
40 be published once in a newspaper of general circulation ~~in the~~



1 ~~territory~~ *within the boundaries* of the VTA as provided by law for  
2 ordinances adopted by counties. An order entered in the minutes  
3 of the board that the ordinance has been duly published is prima  
4 facie proof of publication.

5 (c) Urgency ordinances shall be adopted in the same manner as  
6 provided by law for the adoption of urgency ordinances by  
7 counties.

8 ~~SEC. 24.~~

9 *SEC. 25.* The heading of Article 2 (commencing with Section  
10 100070) of Chapter 4 of Part 12 of Division 10 of the Public  
11 Utilities Code is amended to read:

12  
13 Article 2. Powers and Duties of Board of Directors

14  
15 ~~SEC. 25.~~

16 *SEC. 26.* Section 100070 of the Public Utilities Code is  
17 amended to read:

18 100070. The board of directors is the legislative body of the  
19 VTA and shall determine all questions of VTA policy.

20 ~~SEC. 26.~~

21 *SEC. 27.* Section 100071 of the Public Utilities Code is  
22 amended to read:

23 100071. It shall be the duty of the board of directors and it  
24 shall have the power to:

25 (a) Determine the transit facilities to be acquired and constructed  
26 by the VTA, the manner of operation, and the means to finance  
27 them.

28 (b) Adopt an annual budget for the VTA that provides for the  
29 compensation of its officers and employees.

30 (c) Fix rates, rentals, ~~charges~~ *charges*, and classifications of  
31 transit service operated by the VTA.

32 (d) Adopt an administrative code that prescribes the powers and  
33 duties of VTA officers, the method of appointment of VTA  
34 employees, and the methods, procedures, and systems for the  
35 operation and management of the VTA.

36 (e) Adopt rules and regulations governing the use of transit  
37 facilities owned or operated by the VTA.

38 (f) Cause a postaudit of the financial transactions and records  
39 of the VTA to be made at least annually by a certified public  
40 accountant or public accountant.

(g) Adopt reasonable rules and regulations providing for the administration of employer-employee relations.

(h) Do any and all things necessary to carry out the purposes of this part.

~~SEC. 27.~~

SEC. 28. Section 100082 of the Public Utilities Code is amended to read:

100082. The advisory committees shall provide advice to the board of directors on matters of VTA policy and shall have additional duties as provided by the board of directors.

~~SEC. 28.~~

SEC. 29. Section 100090 of the Public Utilities Code is amended to read:

100090. The officers of the VTA shall consist of the members of the board of directors, the chairperson and vice chairperson of the board, a secretary, a general manager, a general counsel, and any other officers that the board deems necessary and provides for by ordinance or resolution. The general manager and general counsel shall be appointed and may be removed by the affirmative votes of a majority of the board.

~~SEC. 29.~~

SEC. 30. The heading of Article 5 (commencing with Section 100100) of Chapter 4 of Part 12 of Division 10 of the Public Utilities Code is amended to read:

#### Article 5. General Manager

~~SEC. 30.~~

SEC. 31. Section 100100 of the Public Utilities Code is amended to read:

100100. The power and duties of the general manager ~~are:~~ *are all of the following:*

(a) To head the administrative branch of the VTA and to be responsible to the board of directors for the proper administration of all affairs of the VTA.

(b) To appoint, supervise, ~~suspend or remove~~, *suspend, or remove* VTA officers other than the members of the board and officers appointed by the board.

1 (c) To supervise and direct the preparation of the annual budget  
2 for the board and be responsible for its administration after its  
3 adoption.

4 (d) To formulate and present to the board plans for transit and  
5 other transportation facilities within the ~~territory~~ *boundaries* of  
6 the VTA and the means to finance them.

7 (e) To supervise the planning, acquisition, construction,  
8 maintenance, and operation of the transit facilities of the VTA and  
9 other transportation facilities within the ~~territory~~ *boundaries* of  
10 the VTA, as needed.

11 (f) To attend all meetings of the board.

12 (g) To prepare and submit to the board as soon as practicable  
13 after the end of each fiscal year a complete report of the finances  
14 and administrative activities of the VTA for the preceding year.

15 (h) To perform other and additional duties as the board may  
16 require.

17 ~~SEC. 31.~~

18 *SEC. 32.* The heading of Chapter 5 (commencing with Section  
19 100110) of Part 12 of Division 10 of the Public Utilities Code is  
20 amended to read:

21  
22 CHAPTER 5. POWERS AND FUNCTIONS OF VTA  
23

24 ~~SEC. 32.~~

25 *SEC. 33.* Section 100110 of the Public Utilities Code is  
26 amended to read:

27 100110. The VTA has perpetual succession and may adopt a  
28 seal and alter it at its pleasure.

29 ~~SEC. 33.~~

30 *SEC. 34.* Section 100111 of the Public Utilities Code is  
31 amended to read:

32 100111. The VTA may sue and be sued, except as otherwise  
33 provided by law, in all actions and proceedings, in all courts and  
34 tribunals of competent jurisdiction.

35 ~~SEC. 34.~~

36 *SEC. 35.* Section 100112 of the Public Utilities Code is  
37 amended to read:

38 100112. All claims for money or damages against the VTA  
39 are governed by Division 3.6 (commencing with Section 810) of

1 Title 1 of the Government Code except as provided therein, or by  
2 other statutes or regulations expressly applicable thereto.

3 ~~SEC. 35.~~

4 ~~SEC. 36.~~ Section 100113 of the Public Utilities Code is  
5 amended to read:

6 100113. (a) The VTA shall not levy any tax *pursuant to*  
7 *Section 100250* unless approved by the electors voting on the  
8 measure in accordance with Article XIII C of the California  
9 Constitution at a special election called for that purpose by the  
10 board of directors.

11 (b) Whenever a bond election is held to authorize incurring  
12 bonded indebtedness pursuant to Section 100400, the ordinance  
13 calling the election shall include a statement of the tax or taxes to  
14 be levied or continued to be levied and used, to the extent those  
15 taxes are required to pay principal of and interest on the bonds as  
16 the same become due, to provide any sinking fund payments  
17 required therefor, or to create or maintain any reserve fund required  
18 therefor. A vote in favor of the issuance of the bonds shall authorize  
19 the board to levy and collect such taxes. The ordinance levying  
20 the taxes shall not be repealed until all bonds payable from the  
21 revenues derived from the taxes have been fully paid or provision  
22 has been made for their payment in full.

23 ~~SEC. 36.~~

24 ~~SEC. 37.~~ Section 100114 of the Public Utilities Code is  
25 amended to read:

26 100114. Except as otherwise provided in this part, VTA  
27 elections shall be called, held, and conducted as provided by the  
28 Uniform District Election Law.

29 ~~SEC. 37.~~

30 ~~SEC. 38.~~ Section 100115 of the Public Utilities Code is  
31 amended to read:

32 100115. The VTA may exercise any and all powers granted  
33 by any other law that, by its terms, is applicable to transit districts  
34 generally, to public agencies generally, or to any classification of  
35 districts or public agencies that includes an entity of the type  
36 provided for in this part, but the VTA shall not exercise any power  
37 contrary to an express provision of this part.

38 ~~SEC. 38.~~

39 ~~SEC. 39.~~ Section 100115.5 of the Public Utilities Code is  
40 amended to read:

1 100115.5. (a) The VTA may administer and implement any  
2 adopted countywide transportation expenditure plan funded in an  
3 amount greater than 50 percent from revenues derived from a retail  
4 transaction and use tax, if so designated in the plan or if the VTA  
5 and the entity that imposes the tax have entered into an agreement  
6 that so provides. The VTA may exercise those powers necessary  
7 to carry out this purpose.

8 (b) The VTA may do any and all things necessary to ensure the  
9 completion of any projects established in a plan as set forth in  
10 subdivision (a). These projects may include, but are not limited  
11 to, all of the following:

12 (1) The construction and improvement of state highways.

13 (2) The construction, maintenance, and improvement of local  
14 roads, streets, and county highways.

15 (3) The construction, improvement, and operation of public  
16 transit systems, including paratransit services.

17 (4) The construction and improvement of bicycle and other  
18 transportation facilities.

19 (c) The VTA shall consult with and coordinate any actions for  
20 administering and implementing a plan as set forth in subdivision  
21 (a) with the cities in the county, the board of supervisors, and the  
22 Department of Transportation.

23 (d) Nothing in this section shall vary the terms of the cooperative  
24 agreement dated July 1, 1999, between the VTA and the County  
25 of Santa Clara for the construction of transportation projects  
26 utilizing local transaction and use tax revenues derived from Santa  
27 Clara County general tax Measure B approved by the voters in  
28 November 1996. If any of the provisions of this section conflict  
29 with the provisions of that cooperative agreement, the provisions  
30 of the cooperative agreement shall take precedence.

31 ~~SEC. 39.~~

32 *SEC. 40.* Section 100120 of the Public Utilities Code is  
33 amended to read:

34 100120. The VTA may make contracts and enter into  
35 stipulations of any nature whatsoever, either in connection with  
36 eminent domain proceedings or otherwise, including, without  
37 limiting the generality of the foregoing, contracts and stipulations  
38 to indemnify and save harmless, to employ labor, and to do all acts  
39 necessary and convenient for the full exercise of the powers granted  
40 in this part.

1     ~~SEC. 40.~~

2     *SEC. 41.* Section 100121 of the Public Utilities Code is  
3 amended to read:

4     100121. The VTA may contract with any department or agency  
5 of the United States of America, with any public agency or with  
6 any person upon terms and conditions as the board finds is for the  
7 best interest of the VTA.

8     ~~SEC. 41.~~

9     *SEC. 42.* Section 100124 of the Public Utilities Code is  
10 amended to read:

11     100124. The VTA may insure against any accident or  
12 destruction of the system or any part thereof. The VTA may insure  
13 against loss of revenues from any cause whatsoever. It may  
14 provide, in the proceedings authorizing the issuance of any bonds,  
15 for the carrying of insurance in an amount and of a character as  
16 may be specified and for the payment of premiums thereon. The  
17 VTA may also provide insurance as provided in Part 6  
18 (commencing with Section 989) of Division 3.6 of Title 1 of the  
19 Government Code.

20     ~~SEC. 42.~~

21     *SEC. 43.* Section 100125 of the Public Utilities Code is  
22 amended to read:

23     100125. The VTA may contract for the services of independent  
24 contractors.

25     ~~SEC. 43.~~

26     *SEC. 44.* Section 100126 of the Public Utilities Code is  
27 amended to read:

28     100126. The Santa Clara County Transit District, which was  
29 established with the approval of the voters in 1972, shall continue  
30 as an entity under the control of its governing board as reorganized  
31 pursuant to the amendments to this part by statutes that were  
32 enacted in 1994. Nothing in the act that added this section during  
33 the second year of the 1993–94 Regular Session shall be construed  
34 to alter, impair, or terminate existing contracts between the district  
35 and other parties, including, but not limited to, funding agreements,  
36 grants, labor agreements, agreements entered into pursuant to  
37 Section 13(c) of the Federal Transit Act and its antecedents, bonds,  
38 notes, equipment trust certificates, or other obligations of the  
39 district. All rights and powers of the district shall continue in full  
40 force and effect and no affirmation, adoption, or assumption by

1 the board of directors is required for that continuation. The VTA  
2 shall become the successor to certain county contracts as provided  
3 by agreement between the county and the VTA.

4 ~~SEC. 44.~~

5 *SEC. 45.* Section 100130 of the Public Utilities Code is  
6 amended to read:

7 100130. The VTA may take by grant, purchase, devise, or  
8 lease, or condemn in proceedings under eminent domain, or  
9 otherwise acquire, and hold and enjoy, real and personal property  
10 of every kind within or without the ~~territory~~ *boundaries* of the  
11 VTA necessary to the full or convenient exercise of its powers.  
12 The board may lease, mortgage, sell, or otherwise dispose of any  
13 real or personal property within or without the ~~territory~~ *boundaries*  
14 of the VTA necessary to the full or convenient exercise of its  
15 powers.

16 ~~SEC. 45.~~

17 *SEC. 46.* Section 100130.5 of the Public Utilities Code is  
18 amended to read:

19 100130.5. (a) The VTA may take by gift, or take or convey  
20 by grant, purchase, devise, or lease, and hold and enjoy, real and  
21 personal property of every kind within or without the ~~territory~~  
22 *boundaries* of the VTA necessary for, incidental to, or convenient  
23 for, transit-oriented joint development projects that meet the  
24 definition and requirement set forth in subdivision (b).

25 (b) (1) For purposes of this section, a transit-oriented joint  
26 development project is a commercial, residential, or mixed-use  
27 development that is undertaken in connection with existing,  
28 planned, or proposed transit facilities and is located  $\frac{1}{4}$  mile or less  
29 from the external boundaries of that facility.

30 (2) Any transit-oriented joint development project created under  
31 this section shall comply with the land use and zoning regulations  
32 of the city, county, or city and county in which the project is  
33 located.

34 (c) Notwithstanding Sections 53090 and 53091 of the  
35 Government Code or any other provision of law, the authority  
36 granted under this section is subject to the land use and zoning  
37 regulations of the city, county, or city and county jurisdiction in  
38 which the transit-oriented joint development is located, in  
39 accordance with the Planning and Zoning Law (Title 7

(commencing with Section 65000) of the Government Code), relating to zoning.

~~SEC. 46.~~

*SEC. 47.* Section 100131 of the Public Utilities Code is amended to read:

100131. (a) The VTA may exercise the right of eminent domain to take any property necessary or convenient to the exercise of the powers granted in this part. The VTA, in exercising this power, shall in addition to the damages for the taking, injury, or destruction of property, also pay the cost, exclusive of betterment and with credit for salvage value, of removal, reconstruction, or relocation of any structure, railways, mains, pipes, conduits, wires, cables, or poles of any public utility that are required to be moved to a new location.

(b) No taking or acquisition by the VTA that would involve the abandonment, removal, relocation, or use of the property of a railroad corporation, as defined in Section 230, shall be permitted, unless the Public Utilities Commission, after a hearing, shall find and determine that the public interest and necessity require the abandonment, removal, relocation, or use of that property and that the taking or acquisition will not unreasonably impair the ability of the railroad corporation involved to provide safe, adequate, economical, and efficient service.

~~SEC. 47.~~

*SEC. 48.* Section 100132 of the Public Utilities Code is amended to read:

100132. The Public Utilities Commission of the state shall have and exercise power and jurisdiction to fix just compensation to be paid for the taking of any property of a public utility in eminent domain proceedings brought by the VTA. The VTA may commence and maintain the eminent domain proceedings in the Public Utilities Commission or the superior court at its option.

~~SEC. 48.~~

*SEC. 49.* Section 100133 of the Public Utilities Code is amended to read:

100133. The VTA is entitled to the benefit of any reservation or grant, in all cases, where any right has been reserved or granted to any public agency to construct or maintain roads, highways, or other crossings over any public or private lands.



1     *SEC. 50. Section 100153 of the Public Utilities Code is*  
2     *amended to read:*

3     100153. (a) If a contract for CMGC services is entered into  
4     pursuant to this article and includes preconstruction services by  
5     the construction manager, the ~~authority~~ VTA shall enter into a  
6     written contract with the construction manager for preconstruction  
7     services, under which the ~~authority~~ VTA shall pay the construction  
8     manager a fee for preconstruction services in an amount agreed  
9     upon by the ~~authority~~ VTA and the construction manager. The  
10    preconstruction services contract may include fees for services to  
11    be performed during the contract ~~period; provided, however, the~~  
12    ~~authority period.~~ The VTA shall not request or obtain a fixed price  
13    or a guaranteed maximum price for the construction contract from  
14    the construction manager or enter into a construction contract with  
15    the construction manager until after the ~~authority~~ VTA has entered  
16    into a services contract. A preconstruction services contract shall  
17    provide for the subsequent negotiation for construction of all or  
18    any discrete phase or phases of the project and shall provide for  
19    the ~~authority~~ VTA to own the design plans and other preconstruction  
20    services work product.

21    (b) A contract for construction services ~~will~~ *shall* be awarded  
22    after the plans have been sufficiently developed and either a fixed  
23    price or a guaranteed maximum price has been successfully  
24    negotiated. In the event that a fixed price or a guaranteed maximum  
25    price is not negotiated, the ~~authority~~ VTA may award the contract  
26    for construction services utilizing any other procurement method  
27    authorized by law.

28    (c) The construction manager shall perform not less than 30  
29    percent of the work covered by the fixed price or guaranteed  
30    maximum price agreement reached. Work that is not performed  
31    directly by the construction manager shall be bid to subcontractors  
32    pursuant to Section 6955 of the Public Contracts Code.

33    *SEC. 51. Section 100155 of the Public Utilities Code is*  
34    *amended to read:*

35    100155. (a) Upon completion of a project using the CMGC  
36    project delivery method, the ~~authority~~ VTA shall prepare a progress  
37    report to the board of directors. The progress report shall include,  
38    but shall not be limited to, all of the following information:

- 39    (1) A description of the project.  
40    (2) The entity that was awarded the project.

1 (3) The estimated and actual costs of the project.

2 (4) The estimated and actual schedule for project completion.

3 (5) A description of any written protests concerning any aspect  
4 of the solicitation, bid, proposal, or award of the project, including,  
5 but not limited to, the resolution of the protests.

6 (6) An assessment of the prequalification process and criteria  
7 utilized under this article.

8 (7) A description of the method used to evaluate the bid or  
9 proposal, including the weighting of each factor and an assessment  
10 of the impact of this requirement on a project.

11 (8) A description of any challenges or unexpected problems  
12 that arose during the construction of the project and a description  
13 of the solutions that were considered and ultimately implemented  
14 to address those challenges and problems.

15 (9) Recommendations to improve the CMCG project delivery  
16 method authorized under this article.

17 (b) The progress report shall be made available on the authority's  
18 VTA's Internet Web site.

19 ~~SEC. 49.~~

20 *SEC. 52.* Section 100160 of the Public Utilities Code is  
21 amended to read:

22 100160. The VTA may provide transit service for the  
23 transportation of passengers and their incidental baggage by any  
24 means.

25 ~~SEC. 50.~~

26 *SEC. 53.* Section 100160.1 of the Public Utilities Code is  
27 amended to read:

28 100160.1. The VTA may provide facilities, including streets  
29 and highways, for the movement of vehicles, bicycles, and  
30 pedestrians. All installations in state highways shall be developed  
31 and implemented with the concurrence and under the oversight of  
32 the Department of Transportation. The installation shall conform  
33 to requirements and regulations established by the Department of  
34 Transportation.

35 *SEC. 54.* Section 100160.2 of the Public Utilities Code is  
36 amended to read:

37 100160.2. The authority VTA may enter into agreements with  
38 any city within the territory boundaries of the authority VTA or  
39 with the County of Santa Clara to improve a street, road, highway,  
40 or expressway under the jurisdiction of the city or county. This

1 section does not apply to highways under the jurisdiction of the  
2 state, unless specifically permitted elsewhere in statute.

3 ~~SEC. 51.~~

4 SEC. 55. Section 100160.5 of the Public Utilities Code is  
5 amended to read:

6 100160.5. The VTA may operate charter bus service subject  
7 to the following limitations:

8 (a) No bus equipment that is designed solely for charter service  
9 shall be purchased. A bus equipped with a toilet or underfloor  
10 baggage compartment shall be deemed charter equipment.

11 (b) The board shall hold a public hearing prior to adopting a  
12 charter rate schedule or any amendment thereof. Notice of the  
13 hearing shall be mailed to each charter-party carrier operating  
14 within the district at least 30 days prior to the hearing. The notice  
15 shall include the proposed charter rate schedule. At the close of  
16 the public hearing the board may adopt charter rate schedules that  
17 shall not be less than the average for the three largest private  
18 charter-party carriers operating similar service ~~in the territory~~  
19 *within the boundaries* of the VTA.

20 (c) Charter service shall originate and terminate within the area  
21 served by the VTA unless a private charter-party carrier requests  
22 the VTA to provide service beyond the area served by the VTA.

23 ~~SEC. 52.~~

24 SEC. 56. Section 100161 of the Public Utilities Code is  
25 amended to read:

26 100161. (a) The VTA may acquire, construct, own, operate,  
27 control, or use rights-of-way, rail lines, buslines, stations,  
28 platforms, switches, yards, terminals, and any and all facilities  
29 necessary or convenient for transit service within or partly without  
30 ~~the territory~~ *boundaries* of the VTA, underground, upon, or above  
31 the ground and under, upon, or over public streets or other public  
32 ways or waterways, together with all physical structures, including  
33 parking lots and day care centers and related child care facilities,  
34 that are necessary or convenient for the access of persons or  
35 vehicles thereto. The VTA may acquire any interest in or rights to  
36 use or the joint use of any or all of those facilities.

37 (b) The VTA may acquire, construct, and provide for repair and  
38 maintenance of any and all facilities necessary or convenient for  
39 vehicular and pedestrian transportation, within or partly without  
40 ~~the territory~~ *boundaries* of the VTA, underground, upon, or above

1 the ground, together with all physical structures, including parking  
2 lots and soundwalls, that are necessary or convenient therefor. In  
3 this connection, the VTA may exercise any power with respect to  
4 highways granted to counties under Article 1 (commencing with  
5 Section 760) of Chapter 4 of Division 1 of the Streets and  
6 Highways Code in connection with any project included in the  
7 countywide transportation plan and an adopted regional  
8 transportation plan, but shall not usurp or impinge upon the powers  
9 and responsibilities granted to the county with regard to county  
10 highways. Highway and other transportation expenditures shall  
11 be consistent with adopted regional transportation plans and  
12 programs.

13 (c) VTA installations in freeways shall be subject to the approval  
14 of the Department of Transportation. Installations in other state  
15 highways shall be subject to Article 2 (commencing with Section  
16 670) of Chapter 3 of Division 1 of the Streets and Highways Code.  
17 Installations in county highways and city streets shall be subject  
18 to similar encroachment permits.

19 (d) The VTA shall not use any state transportation funds,  
20 including, but not limited to, moneys in the State Highway  
21 Account, or the Transportation Planning and Development  
22 Account, in the State Transportation Fund, and passenger rail and  
23 clean air bond act money to acquire, construct, or operate day care  
24 centers and related child care facilities.

25 ~~SEC. 53.~~

26 *SEC. 57.* Section 100162 of the Public Utilities Code is  
27 amended to read:

28 100162. The VTA may lease or contract for the use of its transit  
29 facilities, or any portion thereof, to any operator, and may provide  
30 for subleases by an operator upon terms and conditions as it deems  
31 in the public interest. The word “operator” as used in this section  
32 means any public agency or any person.

33 ~~SEC. 54.~~

34 *SEC. 58.* Section 100163 of the Public Utilities Code is  
35 amended to read:

36 100163. The board may contract with any public agency or  
37 person to provide transit or transportation facilities and services  
38 for the VTA.

1     ~~SEC. 55.~~

2     ~~SEC. 59.~~ Section 100164 of the Public Utilities Code is  
3 amended to read:

4     100164. (a) The VTA may construct and operate or acquire  
5 and operate transit works and facilities and may construct, acquire,  
6 and provide for repair and maintenance of transportation facilities,  
7 in, under, upon, over, across, or along any state or public highway  
8 or any stream, bay, or watercourse, or over any of the lands that  
9 are the property of the state, to the same extent that the rights and  
10 privileges appertaining thereto are granted to municipalities within  
11 the state.

12     (b) (1) Notwithstanding subdivision (a), and subject to the  
13 approval of the Department of Transportation, the VTA may  
14 provide funding for the repair and maintenance of state highways  
15 within the ~~territory~~ *boundaries* of the VTA.

16     (2) The VTA shall not directly, or indirectly, except by providing  
17 funding pursuant to paragraph (1), repair or maintain any state  
18 highway.

19     ~~SEC. 56.~~

20     ~~SEC. 60.~~ Section 100165 of the Public Utilities Code is  
21 amended to read:

22     100165. The VTA may enter into agreements for the joint use  
23 of any property and rights by the VTA and any public agency or  
24 public utility operating transit facilities; may enter into agreements  
25 with any public agency or public utility operating any transit  
26 facilities, and wholly or partially within or without the ~~territory~~  
27 *boundaries* of the VTA, for the joint use of any property of the  
28 VTA or of the public agency or public utility, or the establishment  
29 of through routes, joint fares, transfer of passengers, or pooling  
30 arrangements.

31     ~~SEC. 57.~~

32     ~~SEC. 61.~~ Section 100167 of the Public Utilities Code is  
33 amended to read:

34     100167. The VTA shall be subject to the provisions of Division  
35 14.8 (commencing with Section 34500) of the Vehicle Code with  
36 respect to operation of buses and to the rules and regulations  
37 enforceable by the State of California Highway Patrol pursuant to  
38 that chapter regulating the safe operation of buses.

1     ~~SEC. 58.~~

2     ~~SEC. 62.~~ Section 100168 of the Public Utilities Code is  
3 amended to read:

4     100168. The VTA shall be subject to the regulations of the  
5 Public Utilities Commission relating to safety appliances and  
6 procedures, and the commission shall inspect all work done  
7 pursuant to this part and may make further additions or changes  
8 necessary for the purpose of safety to employees and the general  
9 public. The commission shall enforce the provisions of this section.

10    ~~SEC. 59.~~

11    ~~SEC. 63.~~ Section 100169 of the Public Utilities Code is  
12 amended to read:

13    100169. The VTA and any one or more school districts located  
14 within its ~~territory~~ *boundaries* may enter into agreements pursuant  
15 to which school transportation equipment may be used for transit  
16 purposes within the VTA's ~~territory~~ *boundaries* during any time  
17 that the equipment is not actually required for school purposes.

18    ~~SEC. 60.~~

19    ~~SEC. 64.~~ Section 100170 of the Public Utilities Code is  
20 amended to read:

21    100170. The VTA may accept, without limitation by any other  
22 provisions of this part requiring approval of indebtedness,  
23 contributions, grants, or loans from any public agency or the United  
24 States or any department, instrumentality, or agency thereof, for  
25 the purpose of financing the acquisition, construction, maintenance,  
26 or operation of transit facilities, or the acquisition and construction  
27 of transportation facilities. The VTA may enter into contracts and  
28 cooperate with, and accept cooperation from, any public agency  
29 or the United States, or agency thereof, in the acquisition,  
30 construction, maintenance, or operation, and in financing the  
31 acquisition, construction, ~~maintenance~~ *maintenance*, or operation  
32 of any transit facilities or in the acquisition and construction of  
33 any transportation facilities in accordance with any legislation that  
34 Congress or the Legislature of the State of California may have  
35 heretofore adopted or may hereafter adopt, under which aid,  
36 assistance, and cooperation may be furnished by the United States  
37 or any public agency in the acquisition, construction, maintenance,  
38 and operation of any transit or transportation facilities. The VTA  
39 may do any and all things necessary in order to avail itself of aid,  
40 assistance, and cooperation under any federal or state legislation

1 now or hereafter enacted. Any evidence of indebtedness issued  
2 under this section shall constitute a negotiable instrument.

3 ~~SEC. 61.~~

4 SEC. 65. Section 100171 of the Public Utilities Code is  
5 amended to read:

6 100171. The VTA may obtain temporary transfers of funds in  
7 accordance with the last paragraph of Section 6 of Article XVI of  
8 the California Constitution.

9 SEC. 66. *Section 100250 of the Public Utilities Code is*  
10 *amended to read:*

11 100250. A retail transactions and use tax ordinance may be  
12 adopted by the board *of directors* in accordance with the provisions  
13 of Part 1.6 (commencing with Section 7251) of Division 2 of the  
14 Revenue and Taxation Code, ~~provided that two-thirds of~~ if the  
15 electors voting on the measure vote *in accordance with Article*  
16 *XIII C of the California Constitution* to authorize its enactment  
17 at a special election called for that purpose by the board *of*  
18 *directors*.

19 ~~SEC. 62.~~

20 SEC. 67. Section 100252 of the Public Utilities Code is  
21 amended to read:

22 100252. The VTA may contract with the State Board of  
23 Equalization for its service in the preparations necessary to  
24 administer a transaction and use tax ordinance. The costs to be  
25 covered by the contract are to be for services of the types described  
26 in Section 7272 of the Revenue and Taxation Code for preparatory  
27 work up to the date of the adoption of the ordinance. Any disputes  
28 as to the amount of the costs shall be resolved in the same manner  
29 as provided in that section.

30 ~~SEC. 63.~~

31 SEC. 68. Section 100253 of the Public Utilities Code is  
32 amended to read:

33 100253. Prior to the operative date of the transaction and use  
34 tax ordinance, the VTA shall contract with the State Board of  
35 Equalization to perform all functions incident to the administration  
36 and operation of the ordinance.

37 ~~SEC. 64.~~

38 SEC. 69. Section 100254 of the Public Utilities Code is  
39 amended to read:

1 100254. If the VTA shall not have contracted with the State  
2 Board of Equalization prior to the operative date of its transaction  
3 and use tax ordinance, it shall nevertheless so contract, and, in that  
4 case, the operative date shall be the first day of the first calendar  
5 quarter following the execution of the contract.

6 ~~SEC. 65.~~

7 *SEC. 70.* Section 100302 of the Public Utilities Code is  
8 amended to read:

9 100302. Whenever a majority of the employees employed by  
10 the VTA in a unit appropriate for collective bargaining indicate a  
11 desire to be represented by a labor organization and upon  
12 determining, as provided in Section 100301, that said labor  
13 organization represents at least a majority of the employees in the  
14 appropriate unit, the board and the accredited representative of  
15 employees shall bargain in good faith and make all reasonable  
16 efforts to reach agreement on the terms of a written contract  
17 governing wages, hours, and working conditions.

18 ~~SEC. 66.~~

19 *SEC. 71.* Section 100303 of the Public Utilities Code is  
20 amended to read:

21 100303. (a) A contract or agreement shall not be made with  
22 any labor organization, association, group, or individual that denies  
23 membership on any basis listed in subdivision (a) of Section 12940  
24 of the Government Code, as those bases are defined in Sections  
25 12926 and 12926.1 of the Government Code. However, the  
26 organization may preclude from membership any individual who  
27 advocates the overthrow of the government by force or violence.

28 (b) The VTA shall not discriminate with regard to employment  
29 against any person on any basis listed in subdivision (a) of Section  
30 12940 of the Government Code, as those bases are defined in  
31 Sections 12926 and 12926.1 of the Government Code, except as  
32 otherwise provided in Section 12940 of the Government Code.

33 ~~SEC. 67.~~

34 *SEC. 72.* Section 100304 of the Public Utilities Code is  
35 amended to read:

36 100304. If, after a reasonable period of time, representatives  
37 of the VTA and the accredited representatives of the employees  
38 fail to reach agreement on the terms of a written contract governing  
39 wages, hours, ~~pensions~~ *pensions*, and working conditions or the  
40 interpretation or application of the terms of an existing contract,



1 either party may request mediation services of the State  
2 Conciliation Service.

3 ~~SEC. 68.~~

4 *SEC. 73.* Section 100305 of the Public Utilities Code is  
5 amended to read:

6 100305. If, after a reasonable period of time, representatives  
7 of the VTA and the accredited representatives of the employees  
8 fail to reach agreement either on the terms of a written contract  
9 governing wages, hours, pensions, and working conditions or the  
10 interpretation or application of the terms of an existing contract,  
11 upon the agreement of both the VTA and the representatives of  
12 the employees, the dispute may be submitted to an arbitration board  
13 and the decision of the majority of the arbitration board shall be  
14 final and binding. The arbitration board shall be composed of two  
15 representatives of the district and two representatives of the labor  
16 organization, and they shall endeavor to agree upon the selection  
17 of a fifth member. If they are unable to agree, the names of five  
18 persons experienced in labor arbitration shall be obtained from the  
19 State Conciliation Service. The labor organization and the VTA  
20 shall, alternately, strike a name from the list so supplied, and the  
21 name remaining after the labor organization and the VTA have  
22 stricken four names, shall be designated as the fifth arbitrator and  
23 chairman of the board of arbitration. The labor organization and  
24 the VTA shall determine by lot who shall first strike a name from  
25 the list. The decision of a majority of the arbitration board shall  
26 be final and binding upon the parties thereto. Each party shall be  
27 responsible for the expense of the presentation of its case. All other  
28 expenses of arbitration shall be borne equally by the parties and  
29 said expenses may include the making of a verbatim record of the  
30 proceedings and transcript of that record.

31 ~~SEC. 69.~~

32 *SEC. 74.* Section 100306 of the Public Utilities Code is  
33 repealed.

34 ~~SEC. 70.~~

35 *SEC. 75.* Section 100307 of the Public Utilities Code is  
36 amended to read:

37 100307. (a) Chapter 10 (commencing with Section 3500) of  
38 Division 4 of Title 1 of the Government Code is not applicable to  
39 the VTA.

(b) The amendments to this section made at the 1995–96 Regular Session are not intended to modify, and shall not have the effect of modifying, an existing bargaining unit determination made by the Department of Industrial Relations pursuant to Section 100301.

~~SEC. 71.~~

SEC. 76. Section 100308 of the Public Utilities Code is amended to read:

100308. County employees and employees of the Santa Clara County Congestion Management Agency who, on a date or dates determined by the board of directors, terminate their employment and immediately thereafter become employees of the VTA, shall transfer to the VTA, and the VTA shall assume liability for, all of their accrued and unused vacation, sick leave, personal leave, compensating time-off and off, ~~STO-balances~~ *balances*, and days of accrued service in accordance with the records of their former employer in lieu of any payment by the former employer for those balances. Those employees who were covered by a county or congestion management agency pension plan shall be entitled to the same or equivalent rights, options, privileges, benefits, obligations, accrued service, and status under the pension plan of the VTA.

~~SEC. 72.~~

SEC. 77. Section 100309 of the Public Utilities Code is repealed.

~~SEC. 73.~~

SEC. 78. Section 100350 of the Public Utilities Code is amended to read:

100350. (a) Whenever the VTA acquires existing facilities from a publicly or privately owned utility, either in proceedings by eminent domain or otherwise, to the extent necessary for operation of facilities, all of the employees of the public utility whose duties pertain to the facilities acquired who have been employed by said utility for at least 75 days shall be appointed to comparable positions in the VTA without examination and these employees shall be given sick leave, seniority, and vacation credits in accordance with the records of the acquired public utility. No employee of any acquired public utility shall suffer any worsening of wages, seniority, pension, vacation, or other benefits by reason of the acquisition.

1 (b) Whenever the VTA acquires existing facilities from a  
2 publicly or privately owned utility, either in proceedings in eminent  
3 domain or otherwise, the VTA shall assume and observe all  
4 existing labor contracts.

5 (c) The provisions of this section apply only to those officers  
6 or supervisory employees of the acquired utility as shall be  
7 designated by the board.

8 ~~SEC. 74.~~

9 *SEC. 79.* Section 100351 of the Public Utilities Code is  
10 amended to read:

11 100351. Whenever the VTA acquires existing facilities from  
12 a publicly or privately owned utility, either in proceedings in  
13 eminent domain or otherwise, that has a pension plan in operation,  
14 members and beneficiaries of the pension plan shall continue to  
15 have the rights, privileges, benefits, obligations, and status with  
16 respect to the established system. The outstanding obligations and  
17 liabilities of the public utility by reason of the pension plan shall  
18 be considered and taken into account and allowance made therefor  
19 in the purchase price of the public utility. The persons entitled to  
20 pension benefits as provided for in this section and the benefits  
21 that are provided shall be specified in the agreement or order by  
22 which any public utility is acquired by the VTA.

23 ~~SEC. 75.~~

24 *SEC. 80.* Section 100370 of the Public Utilities Code is  
25 amended to read:

26 100370. The board may establish a retirement system for the  
27 officers and employees of the VTA and provide for the payment  
28 of annuities, pensions, retirement allowances, disability payments,  
29 and death benefits or any of them. The adoption, terms, and  
30 conditions of any retirement system covering employees of the  
31 VTA in a bargaining unit represented by a labor organization shall  
32 be pursuant to a collective bargaining agreement between the labor  
33 organization and the VTA. For purposes of this section, “officers”  
34 does not include members of the board of directors.

35 ~~SEC. 76.~~

36 *SEC. 81.* Section 100371 of the Public Utilities Code is  
37 amended to read:

38 100371. The board may contract with the board of  
39 administration of the Public Employees’ Retirement System and  
40 enter all or any portion of its employees under that system if no

1 employees of the VTA in a bargaining unit that is represented by  
2 a labor organization are included in the contract except as  
3 authorized by a collective bargaining agreement.

4 ~~SEC. 77.~~

5 *SEC. 82.* Section 100372 of the Public Utilities Code is  
6 amended to read:

7 100372. All persons receiving pension benefits from an  
8 acquired public utility and all persons entitled to pension benefits  
9 under any pension plan of the acquired public utility may become  
10 members or receive pensions under a pension plan established by  
11 the VTA by mutual agreement of the persons and the VTA. The  
12 agreement may provide for the waiver of all rights, privileges,  
13 benefits, and status with respect to the pension plan of the acquired  
14 public utility.

15 ~~SEC. 78.~~

16 *SEC. 83.* Section 100380 of the Public Utilities Code is  
17 amended to read:

18 100380. The VTA shall take the steps as may be necessary to  
19 obtain coverage for the VTA and its employees under Title 2 of  
20 the Federal Social Security Act, as amended, and the related  
21 provisions of the Federal Contributions Act, as amended.

22 ~~SEC. 79.~~

23 *SEC. 84.* Section 100381 of the Public Utilities Code is  
24 amended to read:

25 100381. The VTA shall take the steps as may be necessary to  
26 obtain coverage for the VTA and its employees under the workers'  
27 compensation, unemployment compensation disability, and  
28 unemployment insurance laws of the State of California.

29 ~~SEC. 80.~~

30 *SEC. 85.* Section 100400 of the Public Utilities Code is  
31 amended to read:

32 100400. Whenever the board deems it necessary for the VTA  
33 to incur a bonded indebtedness for the acquisition, construction,  
34 or repair of any or all improvements, works, property, or facilities,  
35 authorized by this part or necessary or convenient for the carrying  
36 out of the powers of the VTA, or for any other purpose authorized  
37 by this part, the board shall, by ordinance, adopted by a vote of  
38 two-thirds of all members of the board, so declare and call an  
39 election to be held ~~in the territory~~ *within the boundaries* of the  
40 VTA for the purpose of submitting to the qualified voters thereof

1 the proposition of incurring indebtedness by the issuance of bonds  
2 of the VTA, if the total amount of bonds issued and outstanding  
3 pursuant to this article do not exceed 15 percent of the assessed  
4 value of the taxable property of the VTA as shown by the last  
5 equalized assessment roll of the County of Santa Clara. The  
6 ordinance shall state:

7 (a) The purposes for which the proposed debt is to be incurred,  
8 which may include all costs and estimated costs incidental to or  
9 connected with the accomplishment of those purposes, including,  
10 without limitation, engineering, inspection, legal, fiscal agents,  
11 financial consultant, and other fees; bond and other reserve funds;  
12 working capital; bond interest estimated to accrue during the  
13 construction period and for a period not to exceed three years  
14 thereafter; and expenses of all proceedings for the authorization,  
15 issuance, and sale of the bonds.

16 (b) The estimated cost of accomplishing those purposes.

17 (c) The amount of the principal of the indebtedness.

18 (d) The maximum term the bonds proposed to be issued shall  
19 run before maturity, which shall not exceed 50 years from the date  
20 thereof or the date of each series thereof.

21 (e) The maximum rate of interest to be paid, which shall not  
22 exceed 7 percent per annum.

23 (f) The proposition to be submitted to the voters, which may  
24 include one or more purposes.

25 (g) The date of the election.

26 (h) The manner of holding the election and the procedure for  
27 voting for or against the measure.

28 (i) The ordinance may also contain a statement that the retail  
29 transaction and use tax mentioned in Article 9 (commencing with  
30 Section 100250) of Chapter 5, or a stated portion thereof, shall be  
31 levied, or continued to be levied, and used to the extent required  
32 to pay principal of and interest on the bonds as they become due,  
33 to provide for any sinking fund payments required therefor, or to  
34 create or maintain any reserve fund required therefor.

35 (j) The ordinance may also contain any other matters authorized  
36 by this part or any other law.

37 ~~SEC. 81.~~

38 *SEC. 86.* Section 100401 of the Public Utilities Code is  
39 amended to read:

1 100401. Notice of holding of the election shall be given by  
2 publishing, pursuant to Section 6066 of the Government Code, the  
3 ordinance calling the election in at least one newspaper published  
4 ~~in the territory~~ *within the boundaries* of the VTA. No other notice  
5 of the election need be given. Except as otherwise provided in the  
6 ordinance, the election shall be conducted as other district elections.

7 ~~SEC. 82.~~

8 *SEC. 87.* Section 100403 of the Public Utilities Code is  
9 amended to read:

10 100403. If a majority of the electors voting on the proposition  
11 vote for it, then the board may, by resolution, at a time or times as  
12 it deems proper, issue bonds of the VTA for the whole or any part  
13 of the amount of the indebtedness so authorized and may from  
14 time to time, by resolution, provide for the issuance of amounts  
15 as the necessity thereof may appear, until the full amount of the  
16 bonds authorized shall have been issued. The full amount of bonds  
17 may be divided into two or more series and different dates and  
18 different dates of payment fixed for the bonds of each series. A  
19 bond need not mature on an anniversary of its date. The maximum  
20 term the bonds of any series shall run before maturity shall not  
21 exceed 50 years from the date of each series respectively. In the  
22 resolution or resolutions, the board shall prescribe the form of the  
23 bonds, including, without limitation, registered bonds and coupon  
24 bonds, and the form of any coupons to be attached thereto, the  
25 registration, conversion, and exchange privileges, if any, pertaining  
26 thereto, and fix the time when the whole or any part of the principal  
27 shall become due and payable.

28 ~~SEC. 83.~~

29 *SEC. 88.* Section 100404 of the Public Utilities Code is  
30 amended to read:

31 100404. The bonds shall bear interest at a rate or rates not  
32 exceeding 7 percent per annum, payable semiannually, except that  
33 the first interest payable on the bonds or any series thereof may  
34 be for any period not exceeding one year as determined by the  
35 board. In the resolution or resolutions providing for the issuance  
36 of the bonds, the board may also provide for call and redemption  
37 of the bonds prior to maturity at times and prices and upon other  
38 terms as it may specify, but no bond shall be subject to call or  
39 redemption prior to maturity unless it contains a recital to that  
40 effect or unless a statement to that effect is printed thereon. The

denomination or denominations of the bonds shall be stated in the resolution providing for their issuance, but shall not be less than one thousand dollars (\$1,000). The principal of and interest on the bonds shall be payable in lawful money of the United States at the office of the treasurer of the VTA or at another other place or places as may be designated, or at either place or places at the option of the holders of the bonds. The bonds, or the series thereof, shall be dated and numbered consecutively and shall be signed by the chairman of the board and the treasurer, countersigned by the secretary and the official seal of the VTA attached. The interest coupons of the bonds shall be signed by the treasurer. All signatures, countersignatures, and ~~seal~~ *the seal* may be printed, lithographed, or mechanically reproduced, except that one of the signatures or countersignatures on the bonds shall be manually affixed. If any officer whose signature or countersignature appears on bonds or coupons ceases to be an officer before the delivery of the bonds, his signature is as effective as if he had remained in office.

~~SEC. 84.~~

SEC. 89. Section 100407 of the Public Utilities Code is amended to read:

100407. All accrued interest and premiums received on the sale of bonds shall be placed in the fund to be used for the payment of principal of and interest on the bonds and the remainder of the proceeds of the bonds shall be placed in the treasury to the credit of the proper improvement fund and applied exclusively to the purposes for which the debt was incurred, which purposes shall be in conformity with an approved general transit plan or element thereof then in effect. When those purposes have been accomplished any moneys remaining in the improvement fund (a) shall be transferred to the fund to be used for the payment of principal of and interest on the bonds, or (b) shall be placed in a fund to be used for the purchase of outstanding bonds of the VTA from time to time in the open market at prices and in a manner, either at public or private sale or otherwise, as the board may determine. Bonds so purchased shall be canceled immediately.

~~SEC. 85.~~

SEC. 90. Section 100409 of the Public Utilities Code is amended to read:

1 100409. Whenever the board deems that the expenditure of  
2 money for the purposes for which the bonds were authorized by  
3 the voters is impractical or unwise, it may, by ordinance adopted  
4 by a vote of two-thirds of all members of the board, so declare and  
5 call an election to be held ~~in the territory~~ *within the boundaries* of  
6 the VTA for the purpose of submitting to the qualified voters  
7 thereof the proposition of incurring indebtedness by the issuance  
8 of the bonds for some other purposes or, in the case where bonds  
9 have been sold, the proposition to use the proceeds for some other  
10 purposes. The procedure, so far as applicable, shall be the same  
11 as when a bond proposition is originally submitted.

12 ~~SEC. 86.~~

13 *SEC. 91.* Section 100410 of the Public Utilities Code is  
14 amended to read:

15 100410. The board may provide for the issuance, sale, or  
16 exchange of refunding bonds to redeem or retire any bonds issued  
17 by the VTA upon the terms, at the times, and in the manner which  
18 it determines. Refunding bonds may be issued in a principal amount  
19 sufficient to pay all or any part of the principal of outstanding  
20 bonds, the interest thereon, and the premiums, if any, due upon  
21 call and redemption thereof prior to maturity and all expenses of  
22 the refunding. The provisions of this article for issuance and sale  
23 of bonds apply to the issuance and sale of the refunding bonds,  
24 except that (a) no election need be called or held for the purpose  
25 of authorizing the issuance of refunding bonds, and (b) when  
26 refunding bonds are to be exchanged for outstanding bonds, the  
27 method of exchange shall be as determined by the board.

28 ~~SEC. 87.~~

29 *SEC. 92.* Section 100411 of the Public Utilities Code is  
30 amended to read:

31 100411. The provisions of Article 4 (commencing with Section  
32 53500) of Chapter 3 of Part 1 of Division 2 of Title 5 of the  
33 Government Code are applicable to the VTA.

34 ~~SEC. 88.~~

35 *SEC. 93.* Section 100450 of the Public Utilities Code is  
36 amended to read:

37 100450. The VTA may issue bonds, payable from revenue of  
38 any facility or enterprise to be acquired or constructed by the VTA,  
39 in the manner provided by the Revenue Bond Law of 1941  
40 (Chapter 6 (commencing with Section 54300) of Part 1 of Division



2 of Title 5 of the Government Code), all of the provisions of which are applicable to the VTA, except that these bonds may be paid, in whole or in part, from revenues made available under Article 9 (commencing with Section 100250) of Chapter 5 and, in that case, the bonds may be issued without an election if the resolution authorizing the bonds provides that the retail transactions and use tax shall continue to be imposed under that Article 9 until the bonds are fully paid or provision has been made for their payment in full.

~~SEC. 89.~~

*SEC. 94.* Section 100451 of the Public Utilities Code is amended to read:

100451. The VTA is a local agency within the meaning of the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code). The term “enterprise” as used in the Revenue Bond Law of 1941 shall, for all purposes of this part, include the system or any or all transit facilities and all additions, extensions, and improvements thereto authorized to be acquired, constructed, or completed by the VTA. The VTA may issue revenue bonds under the Revenue Bond Law of 1941, for any one or more transit facilities authorized to be acquired, constructed, or completed by the VTA or, in the alternative, may issue revenue bonds under the Revenue Bond Law of 1941, for the acquisition, construction, and completion of any one of those transit facilities. Nothing in this article shall prevent the VTA from availing itself of, or making use of, any procedure provided in this part for the issuance of bonds of any type or character for any of the transit facilities authorized hereunder, and all proceedings may be carried on simultaneously or, in the alternative, as the board may determine.

~~SEC. 90.~~

*SEC. 95.* Section 100460 of the Public Utilities Code is amended to read:

100460. The VTA shall have power to purchase transit equipment such as cars, trolley buses, and motor buses, or rolling equipment; and may execute agreements, ~~leases~~ *leases*, and equipment trust certificates in the forms customarily used by private corporations engaged in the transit business appropriate to effect the purchase and leasing of transit equipment and may dispose of the equipment trust certificates upon terms and conditions as the board may deem appropriate. Payment for the

1 equipment, or rentals therefor, may be made in installments, and  
2 the deferred installments may be evidenced by equipment trust  
3 certificates payable from any source or sources of funds specified  
4 in certificates that are or will be legally available to the VTA. Title  
5 to the equipment shall not rest in the VTA until the equipment  
6 trust certificates are paid.

7 ~~SEC. 91.~~

8 *SEC. 96.* Section 100461 of the Public Utilities Code is  
9 amended to read:

10 100461. The agreement to purchase or lease may direct the  
11 vendor or lessor to sell and assign or lease the rolling equipment  
12 to a bank or trust company duly authorized to transact business in  
13 the State of California as trustee, for the benefit and security of  
14 the equipment trust certificates and may direct the trustee to deliver  
15 the rolling equipment to one or more designated officers of the  
16 VTA and may authorize the VTA to execute and deliver  
17 simultaneously therewith an installment purchase agreement or a  
18 lease of the equipment to the VTA.

19 ~~SEC. 92.~~

20 *SEC. 97.* Section 100462 of the Public Utilities Code is  
21 amended to read:

22 100462. The agreements and leases shall be duly acknowledged  
23 before a person authorized by law to take acknowledgments of  
24 deeds and in the form required for acknowledgment of deeds.  
25 These agreements, leases, and equipment trust certificates shall  
26 be authorized by resolution of the VTA and shall contain  
27 covenants, conditions, and provisions that may be deemed  
28 necessary or appropriate to ensure the payment of the equipment  
29 trust certificates from legally available sources of funds specified  
30 in the certificates.

31 ~~SEC. 93.~~

32 *SEC. 98.* Section 100463 of the Public Utilities Code is  
33 amended to read:

34 100463. The covenants, conditions, and provisions of the  
35 agreements, leases, and equipment trust certificates shall not  
36 conflict with any of the provisions of any trust agreement securing  
37 the payment of bonds, notes, or certificates of the VTA.

38 ~~SEC. 94.~~

39 *SEC. 99.* Section 100470 of the Public Utilities Code is  
40 amended to read:

1 100470. The Improvement Act of 1911, the Municipal  
2 Improvement Act of ~~1913~~ 1913, and the Improvement Bond Act  
3 of 1915 are applicable to the VTA.

4 ~~SEC. 95.~~

5 *SEC. 100.* Section 100471 of the Public Utilities Code is  
6 amended to read:

7 100471. The provisions of Chapter 1 (commencing with Section  
8 99000) of Part 11 of Division 10 of the Public Utilities Code are  
9 applicable to the VTA.

10 ~~SEC. 96.~~

11 *SEC. 101.* Section 100482 of the Public Utilities Code is  
12 amended to read:

13 100482. The VTA may borrow money in accordance with the  
14 provisions of Article 7 (commencing with Section 53820), or of  
15 Article 7.6 (commencing with Section 53850) of Chapter 4 of Part  
16 1 of Division 2 of Title 5 of the Government Code.

17 ~~SEC. 97.~~

18 *SEC. 102.* Section 100483 of the Public Utilities Code is  
19 amended to read:

20 100483. The VTA may borrow money in anticipation of the  
21 sale of bonds that have been authorized to be issued, but have not  
22 been sold and delivered, and may issue negotiable bond anticipation  
23 notes therefor and may renew the same from time to time, but the  
24 maximum maturity of those notes, including the renewals thereof,  
25 shall not exceed five years from the date of delivery of the original  
26 notes. The notes may be paid from any moneys of the VTA  
27 available therefor and not otherwise pledged. If not previously  
28 otherwise paid, the notes shall be paid from the proceeds of the  
29 next sale of the bonds of the VTA in anticipation of which they  
30 were issued. The notes shall not be issued in any amount in excess  
31 of the aggregate amount of bonds that the VTA has been authorized  
32 to issue, less the amount of any bonds of that authorized issue  
33 previously sold, and also less the amount of other bond anticipation  
34 notes therefor issued and then outstanding. The notes shall be  
35 issued and sold in the same manner as the bonds. The notes and  
36 the resolution or resolutions authorizing them may contain any  
37 provisions, conditions, or limitations that a resolution of the VTA  
38 authorizing the issuance of bonds may contain.

1     ~~SEC. 98.~~

2     *SEC. 103.* Section 100490 of the Public Utilities Code is  
3 amended to read:

4     100490. The VTA may bring an action to determine the validity  
5 of any of its bonds, equipment trust certificates, warrants, notes,  
6 or other evidences of indebtedness pursuant to Chapter 9  
7 (commencing with Section 860) of Title 10 of Part 2 of the Code  
8 of Civil Procedure.

9     ~~SEC. 99.~~

10    *SEC. 104.* Section 100491 of the Public Utilities Code is  
11 amended to read:

12    100491. All bonds and other evidences of indebtedness issued  
13 by the VTA under the provisions of this part, and the interest  
14 thereon, are free and exempt from all taxation within the State of  
15 California, except for transfer, franchise, inheritance, and estate  
16 taxes.

17    ~~SEC. 100.~~

18    *SEC. 105.* Section 100492 of the Public Utilities Code is  
19 amended to read:

20    100492. Notwithstanding any other provisions of this part or  
21 any other law, the provisions of all ordinances, resolutions, and  
22 other proceedings in the issuance by the VTA of any bonds, bonds  
23 with a pledge of revenues, bonds for improvement districts, revenue  
24 bonds, equipment trust certificates, notes, or any and all evidences  
25 of indebtedness or liability shall constitute a contract between the  
26 VTA and the holders of the bonds, equipment trust certificates,  
27 notes, or evidences of indebtedness or liability and the provisions  
28 thereof shall be enforceable against the VTA, or any or all of its  
29 successors or assigns, by mandamus or any other appropriate suit,  
30 action, or proceeding in law or in equity in any court of competent  
31 jurisdiction. Nothing contained in this part or in any other law shall  
32 be held to relieve the VTA or the territory included within it from  
33 any bonded or other debt or liability contracted by the VTA. Upon  
34 dissolution of the VTA or upon withdrawal of territory therefrom,  
35 the property formerly included within it or withdrawn therefrom  
36 shall continue to be liable for the payment of all bonded and other  
37 indebtedness or liabilities outstanding at the time of the dissolution  
38 or withdrawal the same as if the VTA had not been so dissolved  
39 or the territory withdrawn therefrom, and it shall be the duty of  
40 the successors or assigns to provide for the payment of the bonded

1 and other indebtedness and liabilities. Except as may be otherwise  
2 provided in the proceedings for the authorization, issuance, and  
3 sale of any revenue bonds, bonds secured by a pledge of revenues  
4 or bonds for improvement districts secured by a pledge of revenues,  
5 revenues of any kind or nature derived from any revenue-producing  
6 improvements, works, facilities, or property owned, ~~operated~~  
7 *operated*, or controlled by the VTA shall be pledged, charged,  
8 assigned, and have a lien thereon for the payment of the bonds as  
9 long as they are outstanding, regardless of any change in  
10 ownership, operation, or control of the revenue-producing  
11 improvements, works, facilities, or property and it shall, in the  
12 later event or events, be the duty of the successors or assigns to  
13 continue to maintain and operate the revenue-producing  
14 improvements, works, facilities, or property as long as bonds are  
15 outstanding.

16 ~~SEC. 101.~~

17 *SEC. 106.* Section 100500 of the Public Utilities Code is  
18 amended to read:

19 100500. The VTA may be dissolved pursuant to the  
20 Cortese-Knox-Hertzberg Local Government Reorganization Act  
21 of 2000 (Division 3 (commencing with Section 56000) of Title 5  
22 of the Government Code).

23 *SEC. 107.* Section 100600 of the Public Utilities Code is  
24 amended to read:

25 100600. The Legislature finds and declares that:

26 (a) It is necessary and in the best interest of the citizens of the  
27 state to authorize the ~~Santa Clara Valley Transportation Authority~~  
28 VTA to levy special benefit assessments for needed public rail  
29 rapid transit facilities and services on the property that benefits  
30 from those facilities and services.

31 (b) The rail rapid transit facilities and services provide special  
32 benefits to parcels of land, and improvements thereon, in the  
33 vicinity of rail rapid transit stations, and provide general benefits  
34 to the community at large. The Board of Directors of the ~~Santa~~  
35 ~~Clara Valley Transportation Authority~~ VTA shall be the conclusive  
36 judge of the proportion of special and general benefits produced  
37 by the facilities and of the distribution of the special benefits among  
38 parcels of property within the benefit assessment district.

1     ~~SEC. 102.~~

2     *SEC. 108.* Section 100601 of the Public Utilities Code is  
3 amended to read:

4     100601. (a) Whenever the board finds that property adjacent  
5 to, or in the vicinity of, one or more rail transit stations, or proposed  
6 rail transit stations, of the VTA receives or will receive special  
7 benefit by reason of the location or operation of one or more of  
8 those rail transit stations, the board may, by resolution adopted by  
9 a two-thirds vote of its members, provide for notice and hearing  
10 on its intention to establish one or more special benefit districts  
11 and levy a special benefit assessment on real property therein for  
12 the purpose of financing, in whole or in part, the acquisition,  
13 construction, development, joint development, operation,  
14 maintenance, or repair of one or more rail transit stations and rail  
15 transit related facilities located within the benefit district.

16     (b) In connection with the levy of a special benefit assessment,  
17 the board shall comply with the notice, protest, and hearing  
18 procedures set forth in Section 53753 of the Government Code.

19     (c) The resolution may provide that the proposed benefit district  
20 will contain separate zones, which may consist of either contiguous  
21 or noncontiguous areas of land within the ~~territory~~ *boundaries* of  
22 the VTA. The proposed benefit district and each proposed zone,  
23 if any, therein shall be an area adjacent to, or in the vicinity of,  
24 one or more rail transit stations or proposed rail transit stations.  
25 The boundaries of the benefit district and of each zone, if any,  
26 therein shall be drawn so as to reflect, as accurately as possible,  
27 the areas in which special benefits are conferred by reason of the  
28 proximity and operation of one or more rail transit stations.

29     (d) A notice stating the time and place of the hearing, and setting  
30 forth the boundaries and purpose of the proposed benefit district,  
31 shall be published prior to the time fixed for the hearing pursuant  
32 to Section 6066 of the Government Code.

33     (e) For purposes of this chapter, “benefit district” means a  
34 special benefit assessment district established pursuant to this  
35 chapter, the area of which shall not lie more than one-half mile  
36 from the center point of any rail transit station or proposed rail  
37 transit station.

38     (f) For purposes of this chapter, “transit related facilities” means  
39 land, buildings, and equipment, or any interest therein, whether or  
40 not the operation thereof produces revenue, which has, as its

1 primary purpose, the operation of the rail transit system or the  
2 providing of services to the passengers of the rail transit system,  
3 but does not mean any land, buildings, or equipment, or interest  
4 therein, which is used primarily for the production of revenue not  
5 arising from the operation of the rail transit system.

6 ~~SEC. 103.~~

7 *SEC. 109.* Section 100601.5 of the Public Utilities Code is  
8 amended to read:

9 100601.5. (a) The resolution shall state, as appropriate, the  
10 maximum and minimum rate of assessment, the amount of the  
11 special benefit assessment and the purposes for which it is to be  
12 levied, the estimated cost of accomplishing the purposes, and the  
13 dates or approximate intervals at which the assessment shall be  
14 levied. The resolution shall also state that the exterior boundaries  
15 of the benefit district are set forth on a map on file with the  
16 secretary of the VTA, which map shall govern for all purposes as  
17 to the extent of the benefit district and zones, if any, therein and  
18 that the area set forth on the map shall thereupon constitute and  
19 be known as “Benefit District No. \_\_\_\_ of the Santa Clara Valley  
20 Transportation Authority,” or as “Benefit Zone \_\_\_\_ of the Benefit  
21 District No. \_\_\_\_ of the Santa Clara Valley Transportation  
22 Authority,” as designated by the board.

23 (b) A copy of the resolution shall be included with the notice  
24 given pursuant to Section 53753 of the Government Code.

25 ~~SEC. 104.~~

26 *SEC. 110.* Section 100602 of the Public Utilities Code is  
27 amended to read:

28 100602. (a) In determining the amount of a special benefit  
29 assessment, the board shall measure the benefit to real property in  
30 the benefit district or zones therein according to the procedures  
31 and approval process set forth in Section 4 of Article XIID of the  
32 California Constitution.

33 (b) The special benefit assessment constitutes a charge imposed  
34 on particular real property for a VTA project of direct benefit to  
35 that property, and does not constitute ad valorem taxes or any other  
36 form of general tax levy applying a given rate to the assessed  
37 valuation of all taxable property within the ~~territory~~ boundaries  
38 of the VTA.

39 (c) ~~The authority~~ VTA shall possess all powers necessary for,  
40 incidental to, or convenient for, the collection, enforcement,

1 administration, or distribution of the special benefit assessment in  
2 accordance with California law.

3 (d) The revenue from a special benefit assessment, which is  
4 imposed pursuant to this chapter, or from bonds secured by the  
5 special benefit assessment, for the purpose of financing a rail transit  
6 station or rail transit related facility located within the benefit  
7 district, shall be used only for financing of the facility for which  
8 it was levied, and that revenue shall not be used for any other  
9 purpose or the payment of any other expense of the VTA,  
10 including, but not limited to, transit, transportation, or operating  
11 expense.

12 ~~SEC. 105.~~

13 *SEC. 111.* Section 100602.11 of the Public Utilities Code is  
14 amended to read:

15 100602.11. At the time and place provided in the notice or at  
16 any time and place to which the hearing is adjourned, the board  
17 or its appointed hearing officer shall hear all of the following:

18 (a) The petition for exclusion or reduction.

19 (b) All evidence or proofs that may be introduced by or on behalf  
20 of the petitioners.

21 (c) All objections to the petition that may be presented in writing  
22 by any person, including the VTA.

23 (d) All evidence or proofs that may be introduced in support of  
24 objections to the petition.

25 ~~SEC. 106.~~

26 *SEC. 112.* Section 100602.14 of the Public Utilities Code is  
27 amended to read:

28 100602.14. The board, after the hearing on an exclusion or  
29 reduction petition, shall order one of the following by resolution:

30 (a) In the case of an exclusion petition, order the exclusion of  
31 all or any part of the real property described in the petition upon  
32 its finding that the property will not be benefited by the operations  
33 of the VTA in the vicinity of the benefit district.

34 (b) In the case of a reduction petition, order a change in the  
35 benefit assessment to all or any portion of the real property  
36 described in the petition to provide that it not exceed the amount  
37 of benefit derived by the operations of the VTA in the vicinity of  
38 the benefit district.



1 (c) Confirm the assessment on the real property subject to the  
2 petition as correctly reflecting the amount of benefit to the real  
3 property.

4 ~~SEC. 107.~~

5 *SEC. 113.* Section 100603 of the Public Utilities Code is  
6 amended to read:

7 100603. (a) Following formation of the benefit district or  
8 concurrently therewith, if the board deems it necessary to incur a  
9 bonded indebtedness for the acquisition, construction, development,  
10 joint development, completion, operation, maintenance, or repair  
11 of one or more rail transit stations and related rail transit facilities  
12 located within the benefit district, the board may provide, by  
13 resolution, that the bonded indebtedness shall be payable from  
14 special benefit assessments levied within the benefit district. The  
15 resolution shall be adopted by a two-thirds vote of the members  
16 of the board, and shall declare and state all of the following:

17 (1) That the board intends to incur an indebtedness, by the  
18 issuance of bonds of the VTA, for the benefit district which the  
19 board has formed, or intends to form, within a portion of the  
20 ~~territory~~ *boundaries* of the VTA.

21 (2) The purposes for which the proposed debt is to be incurred,  
22 which may include all costs and estimated costs necessary or  
23 convenient for, incidental to, or connected with, the  
24 accomplishment of the purposes, including, without limitation,  
25 engineering, inspection, legal, fiscal agent, financial consultant,  
26 bond and other reserve funds, working capital, bond interest  
27 estimated to accrue during the construction period, if any, and for  
28 a period not exceeding three years thereafter, and the expenses of  
29 all proceedings for the authorization, issuance, and sale of the  
30 bonds.

31 (3) The estimated cost of accomplishing the purposes and the  
32 amount of the principal of the indebtedness to be incurred.

33 (4) That a general description of the benefit district and of each  
34 zone, if any, therein and maps showing the exterior boundaries  
35 thereof are on file with the secretary of the VTA and available for  
36 inspection by any interested person.

37 (5) That special benefit assessments for the payment of the  
38 bonds, and the interest thereon, have been, or are proposed to be  
39 levied in the benefit district or zones therein in accordance with

1 the procedures and approval process set forth in Section 4 of Article  
2 XIID of the California Constitution.

3 (6) The extent to which, if at all, all or a portion of the revenues  
4 of the VTA are to be used to pay the principal of, interest on, and  
5 sinking fund payments for, the bonds, including the establishment  
6 and maintenance of any reserve fund therefor.

7 (7) The time and place set for hearing on the proposed issuance  
8 of the bonds.

9 (8) That, prior to levying a special benefit assessment, the board  
10 shall comply with the notice, protest, and hearing procedures set  
11 forth in Section 53753 of the Government Code.

12 (9) The maximum term the proposed bonds shall run before  
13 maturity, which shall not exceed 40 years from the date of the  
14 bonds or any series thereof.

15 (10) The maximum rate or rates of interest to be paid, which  
16 shall not exceed 12 percent per annum.

17 (11) That the pledge of special benefit assessment revenues to  
18 the bonds authorized by this section has priority over the use of  
19 any of those revenues for pay-as-you-go financing, except to the  
20 extent that this priority is expressly restricted by any of the VTA's  
21 agreements with bondholders.

22 (b) The notice stating the time and place of the hearing on the  
23 proposed issuance of bonds shall be published prior to the time  
24 fixed for the hearing pursuant to Section 6066 of the Government  
25 Code.

26 ~~SEC. 108.~~

27 *SEC. 114.* Section 100605 of the Public Utilities Code is  
28 amended to read:

29 100605. (a) Special benefit assessments for the payment of  
30 the principal of, and interest on, bonds issued for a benefit district  
31 or zone shall be levied in the benefit district or zone at rates that  
32 are sufficient in the aggregate, together with revenues already  
33 collected and available, to pay the principal of, and interest on, all  
34 bonds the VTA issued for the benefit district or zone. Other  
35 revenues of the VTA shall be used for the payment of the principal  
36 of, and interest on, the bonds only to the extent set forth in any  
37 agreement of the VTA for the benefit of bondholders.

38 (b) Special benefit assessments in the benefit district and zones,  
39 if any, therein shall be calculated in accordance with the

1 requirements set forth in Section 4 of Article XIII D of the  
2 California Constitution.

3 ~~SEC. 109.~~

4 *SEC. 115.* Section 100606 of the Public Utilities Code is  
5 amended to read:

6 100606. (a) The bonds issued pursuant to this chapter shall  
7 bear interest at a rate or rates not exceeding 12 percent per annum,  
8 payable semiannually, except that the first interest payable on the  
9 bonds or any series thereof may be for any period not to exceed  
10 one year as determined by the board.

11 (b) In the resolution or resolutions providing for the issuance  
12 of bonds, the board may also provide for call and redemption of  
13 the bonds prior to maturity at times and prices and upon any other  
14 terms that it may specify. However, no bond is subject to call or  
15 redemption prior to maturity unless the bond contains a recital to  
16 that effect. The denomination or denominations of bonds shall be  
17 stated in the resolution providing for their issuance, but shall not  
18 be less than five thousand dollars (\$5,000). The principal of, and  
19 interest on, the bonds shall be payable in lawful money of the  
20 United States at the office of the treasurer of the VTA or at any  
21 other place or places that may be designated by the board, or at  
22 either place or places at the option of the holders of the bonds. The  
23 bonds shall be dated, numbered consecutively, signed by the board  
24 chairperson and chief financial officer, and countersigned by the  
25 secretary and shall have the official seal of the VTA attached. The  
26 interest coupons of the bonds shall be signed by the chief financial  
27 officer. The seal and all signatures and countersignatures may be  
28 printed, lithographed, or mechanically reproduced, except that one  
29 signature or countersignature shall be manually affixed.

30 (c) If an officer, whose signature or countersignature appears  
31 on the bonds or coupons, leaves office for any reason prior to the  
32 delivery of the bonds, the officer's signature is as effective as if  
33 the officer had remained in office.

34 ~~SEC. 110.~~

35 *SEC. 116.* Section 100609 of the Public Utilities Code is  
36 amended to read:

37 100609. (a) All accrued interest and premiums received on  
38 the sale of bonds issued by the VTA pursuant to this chapter shall  
39 be placed in the fund to be used for the payment of principal of,  
40 and interest on, those bonds. The remainder of the proceeds

1 received on the sale of the bonds shall be placed in the treasury to  
2 secure those bonds or for the purposes for which the debt was  
3 incurred.

4 (b) When the purposes for which the debt was incurred have  
5 been accomplished, any money remaining shall be either (a)  
6 transferred to the fund to be used for the payment of principal of,  
7 and interest on, the bonds or (b) placed in a fund to be used for the  
8 purchase of those outstanding bonds of the VTA, from time to  
9 time, in the open market at the prices and in the manner, either at  
10 public or private sale or otherwise, that the board determines.  
11 Bonds so purchased shall be canceled immediately.

12 ~~SEC. 111.~~

13 *SEC. 117.* Section 100610 of the Public Utilities Code is  
14 amended to read:

15 100610. (a) The board may provide for the issuance, sale, or  
16 exchange of refunding bonds to redeem or retire any bonds issued  
17 by the VTA under this chapter upon the terms, at the times, and  
18 in the manner that it determines. Refunding bonds may be issued  
19 in a principal amount sufficient to pay all, or any part, of the  
20 principal of the outstanding bonds issued under this chapter, the  
21 interest thereon, and the premiums, if any, due upon call and  
22 redemption thereof prior to maturity and all expenses of the  
23 refunding.

24 (b) The provisions of this chapter, for the issuance and sale of  
25 bonds apply to the issuance and sale of refunding bonds, except  
26 that, when refunding bonds are to be exchanged for outstanding  
27 bonds, the method of exchange shall be as determined by the board.

28 ~~SEC. 112.~~

29 *SEC. 118.* Section 100612 of the Public Utilities Code is  
30 amended to read:

31 100612. The board may change the purposes for which any  
32 proposed debt is to be incurred, the estimated cost, the amount of  
33 bonded debt to be incurred, or the boundaries of the benefit district  
34 or zones, if any, therein or one or all of those matters, except that  
35 the board shall not change the boundaries *of the benefit district or*  
36 *zones* to include any territory which will not, in its judgment, be  
37 benefited by the VTA action.

38 ~~SEC. 113.~~

39 *SEC. 119.* Section 100613 of the Public Utilities Code is  
40 amended to read:

1 100613. (a) The board shall not change the purposes, the  
2 estimated cost, the boundaries of the benefit district or zones, if  
3 any, therein, or the amount of bonded debt to be incurred until  
4 after it gives notice of its intention to do so, stating each proposed  
5 change in the purpose and stating, if applicable, that the exterior  
6 boundaries *of the benefit district or zones* proposed to be changed  
7 are set forth on a map on file with the secretary of the VTA. The  
8 notice shall also specify the time and the place set for hearing.

9 (b) The notice shall be published prior to the time set for the  
10 hearing pursuant to Section 6066 of the Government Code.

11 (c) The notice shall also be mailed at least 30 days prior to the  
12 hearing to all owners of real property affected by the proposed  
13 change whose names and addresses appear on the last equalized  
14 assessment roll or are otherwise known to the board of supervisors  
15 of the county in which the benefit district is located or to the VTA.  
16 Any proposed increases to a special benefit assessment shall not  
17 be made unless all notice, protest, and hearing procedures set forth  
18 in Section 53753 of the Government Code have been followed.

19 ~~SEC. 114.~~

20 *SEC. 120.* Section 100618 of the Public Utilities Code is  
21 amended to read:

22 100618. In the event of conflict with any other law, the  
23 provisions of this chapter shall prevail with respect to benefit  
24 districts within the ~~territory~~ *boundaries* of the VTA.

25 ~~SEC. 115.~~

26 *SEC. 121.* Section 100619 of the Public Utilities Code is  
27 amended to read:

28 100619. Notwithstanding any other provision of this chapter,  
29 the VTA shall not pledge any portion of its general fund revenues  
30 to pay any part of any bonded indebtedness incurred under this  
31 chapter unless required by provisions of the California Constitution.